

# U.S. Department of Education

## 2012 Fall Webinar Training Series

### Campus-Based Programs:

Awarding/Disbursing/Reporting –  
Tips, Reminders and Insights



# Campus-Based Programs

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## Awarding Aid

# Awarding FWS

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- Must be made reasonably available to all eligible students
- No award limits but may not exceed need
- Student's academic workload should be considered
- Net earnings should be used for awarding and packaging
  - Gross amount excluding job-related expenses and non-refundable taxes



# FWS - Periods of Non-Attendance

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- Student may be employed during periods of non-attendance
  - Summer, vacation, period of co-op education or unattended term
- Student must be planning to enroll for the next period of enrollment
  - Financial need must exist for that period
  - Net earnings must be used to cover expenses related to financial need for that period



# **FWS: Period of Non-Attendance – Failure to Return**

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- School must be able to demonstrate:
  - Student was eligible for employment
  - School had reason to believe, at the time FWS was awarded, that student would return
- Documentation
  - Written record showing student's acceptance of offer of admittance for next period
- Student must immediately cease FWS employment if, during period of non-attendance, school learns student will no longer enroll for the next period of enrollment



# FWS and Modules

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- School combines modules into a term
  - FWS student attending any module may earn FWS throughout the term
  - Earnings may be applied toward financial need for the mini-session attended and/or the next period of enrollment
  - Financial need must be based on the period when student is actually enrolled in modules

# Awarding FSEOG

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- Award cannot exceed minimum/maximums
  - Minimum - \$100
  - Maximum - \$4,000
    - Up to \$4,400 in a study abroad program

# Awarding FSEOG

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- Pell Grant recipients with lowest EFCs
  - Known as FSEOG first selection group
  - Not necessary to receive a Pell Grant in the same payment period as FSEOG
    - Must be received in same award year
    - Example: student only receives Pell Grant in Fall due to reaching Pell LEU
- Not receiving Pell Grant with lowest EFCs
  - Known as FSEOG second selection group
  - May be selected after all Pell recipients have been awarded
    - *Includes students who exceed Pell LEU for entire award year*



# Awarding FSEOG

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- Establishing categories of students
  - Selection procedures may establish categories of students
    - Class standing, enrollment status, program, etc.
  - May assign a percentage or dollar amount of funds to each category
  - May not be used to exclude certain groups
  - Within each category must first award to Pell recipients, lowest EFCs
- Funds must be made reasonably available for all starts in an award year (subsequent terms or payment periods)

# Awarding FSEOG

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- Selection Prohibitions
  - Awarding on a first-come, first-serve basis
  - Arbitrary EFC benchmarks (cut-offs)
  - Use of professional judgment in awarding
    - Applicable only to making adjustment(s) to a data element(s) in the EFC or COA
    - May not be used to circumvent selection priority
  - Awarding to offset loss of Pell Grant eligibility due to LEU

# Awarding FSEOG

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- Crossover payment periods
  - If receiving Pell during a crossover payment period and among lowest EFCs, student meets first selection group requirements
  - Receiving FSEOG but not Pell during crossover period, in first selection group (either award year's allocation) IF:
    - Student will receive a Pell Grant in the award year to which payment period is assigned

# Awarding Perkins Loans

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- Maximum loan amounts
  - Per award year
    - \$5,500 undergraduate
    - \$8,000 graduate/professional
- Aggregate (unpaid principal)
  - \$11,000 any student who has not completed 2 years of undergraduate study
  - \$27,000 undergraduate who has completed 2 academic years and is pursuing a bachelor's
  - \$60,000 for a graduate



# Awarding Perkins Loan

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- Perkins selection criteria
  - Priority given to students with exceptional need as defined by the school
  - Pell grant eligibility must be determined first
  - Selection procedures must be in writing, uniformly applied and kept on file



# Disbursing Campus-Based Funds

# Disbursing CB Awards

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- \$200 limit on prior award year charges that may be paid from current year CB funds
- EFT may be made without student authorization
  - Student may refuse but must still be paid
- Payment may be issued to stored-value card
- School must obtain student authorization to credit FWS to student's account at institution



# Disbursements – FSEOG & Perkins

- Award amount divided by the number of payment periods expected to attend in the academic year
- May receive uneven amounts each payment period to cover uneven costs or EFA



# Disbursing FWS Wages

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- School has a choice of payroll period
  - Students must be paid at least monthly
- FWS earned when students perform work
  - Wages earned while attending may be paid after the last day of attendance
  - FWS may not be paid for work performed after student withdrew (if not planning to return)

# Disbursing FWS Wages

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- Crossover Payment Periods
  - Compensation earned through June 30 is paid with funds allocated for first award year
  - Compensation earned starting July 1 is paid with funds allocated for the following year
  - Choice of EFC (must be same as for CB/DL)
- Holding FWS Funds for the Student
  - Requires written authorization
  - Amounts must be identified in subsidiary ledger
  - Cash equal to amount being held must be maintained
  - Remaining amount must be disbursed by end of the final payroll period for the award year

# Disbursing FWS Wages

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- FWS students may be paid overtime in accordance w/applicable labor rules
- FWS wages may not be paid for hours worked during scheduled class time
- FWS earnings may only be garnished to pay costs of attendance the student owes the school during the period of the award
  - School must oppose all other garnishment orders
  - School must inform all off-campus employers that wages may not be garnished

# FWS Payments: Disaster Affected Students

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- School in a major disaster area (FEMA designated) may make payments to affected students for a period of time when they were unable to fulfill work obligations
- Period may not exceed one academic year
- Payments may be = or < than amount they would have received if working
- Payments may not be made to students not eligible for FWS or completing a work obligation prior to disaster



# Campus-Based Funds: Transfers & Carry Forward/Back

# Fund Transfers

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Flexibility to transfer funds between programs under certain circumstances

- FWS
  - May transfer up to a total of 25% of its federal FWS allocation (initial plus supplemental) for an award year to its revolving Perkins fund or federal FSEOG allocation, or both
    - Does not need to receive Perkins FCC but must have a Perkins Level of Expenditure (LOE)

# Fund Transfers

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- FSEOG
  - A school may transfer up to 25% of its federal FSEOG allocation to its federal FWS allocation
- Perkins\*
  - Since no Federal Capital Contribution available, no ability to transfer funds to other programs



# **Fund Transfers: General Rules**

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- Award transferred funds according to the requirements of the program to which they are transferred
- Report the transfer of funds on the Fiscal Operations Report portion of the FISAP
- Any transferred funds that are unexpended must be transferred back to the original program at the end of the award year
- The program that the school wants to transfer funds to must also have an allocation for that same award year



# Carry Forward

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- May spend up to 10% of its current year's FWS or FSEOG allocation (initial and supplemental) in the *following award year* (*carry forward*)
- Before a school may spend its current year's allocation, it must spend any funds carried forward from the previous year



# Carry Back

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- Your school is also permitted to spend up to 10% of its current year's FWS or FSEOG allocation (initial and supplemental) for expenses incurred in the *previous award year (carry back)*

# Carry Forward/Carry Back

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- FWS Limitations:
  - Not permitted to add funds that are carried forward or back to the total FWS allocation for an award year when determining the maximum percentage of available funds that may be used in that award year for —
    - Transferring FWS funds to FSEOG
    - Providing the federal share of wages in private for-profit sector jobs;
    - The Job Location and Development (JLD) Program

# Carry Back for Summer

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- May use any portion of initial/supplemental FWS allocations for the current award year to pay student wages earned on or after May 1 of the previous award year but prior to the beginning of the current award year
- May spend any portion of its current award year's initial/supplemental FSEOG allocations to make FSEOG awards to students for payment periods that begin on or after May 1st of the prior award year but end prior to the start of the current award year

# Carry Forward/Back: General Rules

- Must match FWS or FSEOG funds carried forward or carried back in the award year that they are spent
- Report funds carried forward/back on the FISAP
- May not carry forward or carry back any funds to any award year in which there is no specific program allocation
- Not permitted to add funds carried forward or back to the total FWS or FSEOG allocation for an award year when determining the maximum percentage of available funds that may transfer

# G5 Issues

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- CB funds transferred from one program to another must be entered in G5 as an expenditure against the program from which they were transferred.
- FWS or FSEOG funds carried forward or back must be entered in G5 as an expenditure against the authorization for the award year from which they were taken
- **Do not** attempt to transfer CB funds in G5



# Matching Requirements

# Federal Share Limitation

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- FWS Limits
  - *In general, the federal share of FWS wages paid to a student may not exceed 75% of the student's total wages*
  - If student working for a private for-profit organization, the federal share of the student's wages may not exceed 50%



# Federal Share Limitation

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- FWS Limits:
  - May use the federal share to pay up to 100% of the FWS wages paid to a student who is -
    - performing civic education and participation activities in community service projects,
    - employed as a reading tutor for preschool-age children or elementary school children,
    - employed as a mathematics tutor for children in elementary school through ninth grade,
    - performing family literacy activities in a family literacy project that provides services to families with preschool or elementary age children.

# Federal Share Limitation

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- FWS Limits:
  - May use the federal share of FWS wages to pay up to 90% of a student's wages if:
    - Student employed at private nonprofit organization or federal/state/local public agency
    - School does not own, operate, or control the organization or agency
    - The school selects the organization or agency on an individual, case-by-case basis
    - Entity unable to pay the regular nonfederal share
    - *90% federal share is limited to no more than 10% of the students paid under the FWS Program*

# Federal Share Limitation

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- FSEOG Limits
  - The federal share of FSEOGs made by a school may not exceed 75% of the total FSEOGs
- Perkins Limits\*
  - Congress has not allocated any Federal Capital Contributions in several years



# **NonFederal Share: FWS**

- Nonfederal share of a student's FWS wages must be at least 25% each award year (unless specific exception noted)
- School's share may come from its own funds, from outside funds, or from both.
  - If a student is employed by a private, for-profit organization, that organization must provide the nonfederal share
- School may also pay the institutional share with noncash contributions

# NonFederal Share: FSEOG

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- The 25% nonfederal share of FSEOGs made from the school's own resources (unless received a waiver) may include:
  - institutional scholarships and grants;
  - waivers of tuition or fees;
  - state scholarships and grants; and
  - funds from foundations or other charitable organizations

# FSEOG Matching Options

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- (1) Fund-Specific basis
  - School establishes FSEOG fund into which it deposits FSEOG federal funds and the required 25% nonfederal share
  - Awards are made from the fund

## Example:

FSEOG allocation is \$57,000, total available for awards\* \$76,000, nonfederal share is \$19,000

Both the federal and nonfederal share are deposited into the FSEOG fund as required for disbursing awards

*\* Assumes no ACA taken from FSEOG*

# FSEOG Matching Options

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- (2) Individual recipient basis
  - School provides its share to an individual recipient together with the federal share
  - Each student's total award consists of 25% nonfederal resources and 75% federal dollars

Example:

Fred the Student is awarded \$1,000 of FSEOG

His individual award consists of \$250 in state grant funds and \$750 in federal dollars

# FSEOG Matching Options

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- (3) Aggregate basis
  - School ensures sum of all funds awarded comprises 75% FSEOG funds and 25% nonfederal resources
  - Each recipient must receive some FSEOG funds

Example:

FSEOG allocation is \$57,000, total available for awards\*  
\$76,000, nonfederal share is \$19,000

School will match using state grant funds

\$1,000 is posted to the accounts of 57 recipients

School must ensure recipients received state grants in an amount necessary to meet required \$19,000 nonfederal share

*\*Assumes no ACA taken from FSEOG*



# NonFederal Share Waiver

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- ED may waive the nonfederal share requirement for FSEOG and FWS for a school designated as an eligible school under 34 CFR parts 606, 607, 608 or 609 (FWS only)
- Under FWS, the institutional share requirements for employment provided by a private for-profit organization or the administration of the JLD Program are never waived

# NonFederal Share: Perkins

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- Perkins
  - Nonfederal share is called Institutional Capital Contribution (ICC)
    - Since Congress has not allocated any Federal Capital Contribution, there is currently no ICC requirement
      - However - school may elect to make its own contributions to the Perkins revolving fund



# Job Location & Development Program



# JLD Program

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- Part of the FWS program
- Locates and develops off-campus job opportunities for students regardless of financial need
- Jobs may be located and developed for both FWS and non-FWS eligible students
- Jobs must, to extent practicable, complement the student's program and/or goals

# JLD Program

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- Institution may use part of its FWS allocation to establish or expand a JLD program
- Not more than lesser of 10% or \$75,000
- FWS funds may pay up to 80% of allowable costs with school responsible for remaining 20%

# Use of JLD Program Funds

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- School may use JLD funds for establishing and administering a JLD program to include:
  - Staff salaries and benefits
    - Not paid to FWS students
  - Travel expenses related to JLD activities
  - Printing and mailing costs for brochures etc.
  - JLD telephone charges
  - Costs for supplies, equipment and furniture
  - Advertising related to JLD
  - JLD workshops for students and employers



# Use of JLD Program Funds

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- JLD funds may **not** be used to:
  - Pay students who jobs were located through JLD
  - Locate or develop jobs at your school or other schools
  - Place students upon graduation
  - Displace employees/impair service contracts
  - Purchase, alter or construct JLD facilities
  - Pay indirect administrative costs
- School is expected to generate total wages in excess of amount of federal funds spent under JLD



# FWS: Use of Funds Stipulations



# Releasing Unused Funds

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- If school returns more than 10% of its allocated funds for any CB program, ED will reduce allocation for second succeeding year by the amount returned
- ED may waive upon request
  - Waiver is requested when FISAP is filed by submitting an explanation per FISAP Instruction Booklet
  - Must be a circumstance beyond the school's control

# FWS Use of Funds Tips

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- Are we avoiding penalty for underuse of funds?
  - Do not request more funding than can be used
  - Transfer funds to FSEOG
  - Carry-forward
  - Take Campus-Based ACA from FWS
  - Up to 10% or \$75,000 of FWS allocation may be used for job location and development under the JLD program

# Reallocation

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- Reallocation form ([www.cbfisap.ed.gov](http://www.cbfisap.ed.gov)) must be completed in the following situations
  - School will not spend entire 2011-12 FWS allocation
  - School is requesting supplemental 2012-13 FWS funds to pay students in community service jobs
    - Must have spent at least 5% of 2011-12 allocation to pay students employed as reading tutors of children or in family literacy activities as part of community service
    - Must have an FWS fair share shortfall as shown on line 28 of the 2011-12 final allocation letter
- August 17, 2012 deadline



# Special FWS Allocation Requirements

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- Community service expenditure obligations:
  - Must use at least 7% of its FWS federal allocation for an award year to pay the federal share of wages to students employed in community service jobs for that year
  - One or more of the school's FWS students must be employed as a reading tutor for children in a reading tutoring project or performing family literacy activities in a family literacy project.



# Special FWS Allocation Requirements

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- Community service expenditure waiver:
  - May request a waiver of one or both of the community service expenditure requirements by the annual deadline
    - Electronic announcement comes out in March with submission due date in April
- The school should include detailed information that demonstrates that the requirement would cause a hardship for students at the school

# FWS Use of Funds Tips

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- Are we meeting 7% community service requirement?
  - Adjust pay rate for community service jobs where warranted
    - Jobs requiring certain skills may merit more than minimum wage
  - Allocate more than 7% to ensure threshold is actually met
  - Jobs assisting students with disabilities are considered community service
  - Certain jobs in tutoring/family literacy and civic education can be community service and allow 100% Federal share of wages
- Is at least one student employed as a reading tutor/family literacy project?



# **FWS:** **General Employment &** **Community Service** **Requirements**

# Assigning FWS Jobs

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- Establish and maintain job descriptions
- May be on or off-campus
  - Off-campus jobs with federal, state/local public agencies or private non-profits must be in the public interest
  - Off-campus jobs with private, for-profit orgs. must be academically relevant to extent possible
- Must consider:
  - Financial need
  - Number of hours student can work
  - Period of employment
  - Anticipated wage rate
  - Amount of other assistance available to student





# FWS Conditions/Limitations

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- FWS governed by applicable employment law
- Federal minimum wage required
  - Currently \$7.25
  - If state or local minimum wage is higher, employer must pay at least that amount
- FWS students may not displace employees
- FWS jobs may not involve constructing, operating or maintaining religious facilities

# On-Campus Employment

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- Student may be employed on campus at any type of school (including proprietary)
- FWS student may be assigned to assist a professor
  - Student must be performing work the school would normally support under its own employment program
- Student may serve as a research assistant
  - Work must be in line with profs. official duties
  - Must be considered work for the school itself

# FWS and Academic Credit

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- Students may earn academic credit and FWS compensation but may not be:
  - Paid less than if no credit were given
  - Paid for time receiving instruction
  - Paid unless the employer would normally pay a non-FWS person for the same job



# Work for Proprietary School

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- FWS students may not work in non-community service jobs that are not student services
- Jobs primarily benefiting the school are not student services
- Non-community service job must provide student services that are directly related to the student's training or education

# Work Off-Campus

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- Non-profit or government agency
  - Work performed must be in public interest
  - Work not in the public interest
    - Primarily benefiting the members of an organization that has membership limits
    - Involving political activity
    - Is for an elected official unless that official is responsible for regular administration of federal, state or local government
    - Is as a political aid to an elected official
    - Takes into account party affiliation
    - Involves lobbying



# Work Off-Campus

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- Off-campus private for profit employers
  - Jobs must be academically relevant
- Never qualifies as community service
- May not hire FWS students to replace employees

# Off-Campus Agreements

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- Written agreement with organization required for off-campus employment
  - Appendix A of FSA Handbook Vol. 6 Chpt. 2 contains a sample written agreement
- Agreement must specify what share of student compensation/other costs will be paid the off-campus organization
  - For profit organizations must pay the nonfederal share of student earnings
  - Any off-campus organization may pay: nonfederal share of earnings, required employer costs, school admin. costs not already paid from ACA

# Community Service Jobs

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- School is required to make community service jobs available in the local community
- School must use at least 7% of its FWS allocation for community service jobs
- Family literacy requirement – must employ at least one student in a literacy project (in fulfilling community service requirement)
  - Performing family literacy activities in a family literacy project that provides services to families w/preschool age or elementary school children; or
  - Serving as a reading tutor for children who are preschool age or in elementary school



# Community Service

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- Defined as services that improve the quality of life for community residents
- Community services must be open and accessible to the community
  - Support services for students w/disabilities who are enrolled at the school is the only exception to this requirement
- Direct service is not required
  - Indirect services may qualify
- Private, for profit organizations do not qualify



# Employing FWS Students as Tutors

- No limit on the amount of FWS funds that can be spent to pay reading/math tutors
- Placement priority (to extent) possible must be given to schools participating in a reading reform project that is:
  - Designed to train teachers to teach reading on basis of scientific research on reading
  - Funded under the Elem. And Secondary Education Act of 1965
- School must ensure that tutors receive training from the employing school in instructional practices used by that school

# Training Tutors

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- ED recommends that tutors be trained
- FWS tutor may receive wages while training
  - Limited and reasonable time
  - Reasonable training period would not exceed approx. 20 hours
  - No wages may be paid for taking an academic course developed to provide tutoring training
- FWS tutor may receive wages for preparation and evaluation time
  - Must be a reasonable amount of time – ED sees 1 hour per week as reasonable

# Employing FWS Students as Tutors

- Tutoring and Community service
  - FWS tutor job may qualify 100% federal share but not qualify as part of the 7% requirement
    - Example would be tutoring children in school's daycare facility that is not open to the community
- Qualifying as community and 100% federal share
  - Job must meet the requirements for both FWS tutors and community service



# Perkins Loan Fund: Liquidation & Assignment



# Perkins: Liquidation and Assignment

- Updated procedures in August 5, 2011 EA
  - Contains details on liquidation & assignment procedures
- Liquidation of portfolio required when:
  - School voluntarily withdraws from program
  - School no longer advancing loans to students
  - School participation is terminated by ED

**[perkinsliquid@ed.gov](mailto:perkinsliquid@ed.gov)**



# Perkins: Liquidation and Assignment

- Perkins Loans assignment:
  - School chooses to assign loans after due diligence still results in default
  - After initial determination of T&P disability
  - Perkins Loan portfolio is being liquidated

# Administrative Cost Allowance



# Administrative Cost Allowance (ACA)

- School is entitled to ACA for an award year IF for that award year:
  - Provides FWS employment;
  - Advances funds under the Perkins Loan Program; or
  - Awards grants under the FSEOG Program
- Shall be used to offset administrative costs in the Campus-Based *and* Pell Grant programs
  - Including consumer information requirements

# ACA Calculation

ACA is calculated as a percentage of the school's expenditures to students for an award year under the Campus-Based Programs

5% of first \$2,750,000 of CB expenditures

+

4% of expenditures > \$2,750,000 but < \$5,500,000

+

3% of expenditures  $\geq$  \$5,500,000

- ACA comes out of the annual FSEOG and FWS authorizations and from the available cash on hand in the Perkins Loan fund



# FISAP Common Errors

# Potential FISAP Errors

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- Fiscal Operations Report for 2011-12 and Application to participate for 2013-14 is available on eCB Web site
- October 1, 2012 deadline
- No significant changes for this year
- Crossover payments made with 2012-13 funds are reported on next year's FISAP
- Awards will be closed out at the expended amount reported –excess drawn in G5 must be returned

# Common FISAP Errors

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- Failure to make required revisions
  - Impacts tentative and final awards
  - Annual funding may be reduced in G5 by ED
  - No reinstatement of funds for reporting errors
  - December 15 deadline date to make revisions
    - After December 15, revisions must be requested through CB program staff
- School does not coordinate with other offices on campus in collecting/reconciling info.



# Common FISAP Errors

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- School does not validate FISAP information provided by 3<sup>rd</sup> party servicers
- Schools request more than what they can reasonably expend
  - Result is unexpended funds
- Schools participating in Perkins do not request a Perkins Level of Expenditure (LOE)
- Schools do request an LOE but do not advance funds to students

# Common FISAP Errors

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- Schools with unexpended funds do not request a waiver for underuse of funds
  - Funding penalty in the following year results
- FSEOG and FWS authorized amounts are adjusted downward by school to eliminate unexpended funds
  - Should only be adjusted if returned through the reallocation process

Note: A comprehensive discussion of common FISAP errors may be found in Session #12 “Common Errors in FISAP Filing” of the 2011 FSA Conference presentations available in IFAP under Conferences and Presentations



# Resources & References



# Resources

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- IFAP.ed.gov website
  - Publications; links; contacts
- FSA HDBK Vol. 6 – Campus-Based Programs
- Electronic Announcement - August 5, 2011
  - Perkins Liquidation/Assignments
- [FISAP website - www.cbfisap.gov](http://www.cbfisap.gov)
- FISAP Instruction Guide
- Campus-Based Call Center
  - 877-801-7168; cbfob@ed.gov



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Thank you  
for joining us  
today!